

ECONOMIC DIGEST

FEBRUARY 1999

- The significant impact of baby boomers on American life and economy. (article, pp.1 & 4)
- Assessment of the Patriots football team coming to town. (article, pp.2-3)
- Industry clusters: 1999 legislation planned. (p.3)
- December's nonfarm employment: up by 7,800 from a month ago, and 20,000 from a year ago. (p.6)
- Unemployment rate: 3.1 percent, down from 3.8 percent in November. (p.6)
- The number of new auto registrations processed reached a record high of 212,060 last year. (p.7)

Baby Boomers - Drivers Of Change

By Adele DeFrancesco, Operations Coordinator

In the 1880s, at a time when life expectancy was 45 years, German Chancellor Otto von Bismarck set the retirement age at 65. In 1999 the first of the baby boomers will be 53 and have just a decade to get ready for that milestone age, and as with all the others, they are expected to change that life phase forever.

Boomer Impact

From its beginning the influence of the Baby Boom Era has been remarkable. The years between 1946 and 1964 produced approximately 76 million American children, an average of four million births per year for 19 years. For the five decades since 1946 this generation has burst

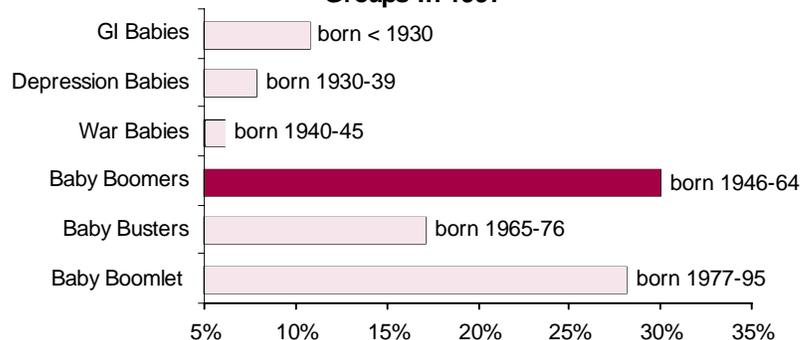
into every life phase, and reactions to its wants and needs have resulted in major changes and innovations. In its early childhood it brought success to the baby-care guidance of Dr. Spock and the geared-to-children entertainment of Howdy Doody, The Mickey Mouse Club, and Sesame Street. When the first boomers became teenagers, "Teeny Boppers" were recognized as a significant target-market, and with the sixties the world recognized the cultural impact of America's deep-thinking, soul-searching, "Flower Children." Who would have suspected then that in the seventies and eighties the boomers would become "Yuppies" pursuing an upscale life style, that contributed to both

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Percentage Share Of U.S. Population By Generational Groups In 1997



Data Source: U.S. Bureau of the Census

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The Patriots Are Coming! The Patriots Are Coming!

By Joseph Slepski, Research Analyst

Get ready tailgaters and fire up your grills, football is coming to Hartford. As part of the \$1 billion Adriaen's Landing project, The National Football League's New England Patriots will be playing their games in downtown Hartford in a brand new 68,000 seat \$350 million stadium beginning in the fall of 2001. In addition, the University of Connecticut's football team will upgrade their status to Division 1-A and become co-tenants in this new stadium. It is also expected that major concert acts will make the stadium a stop on their tours.

Game Plan

In May 1998, Phoenix Home Mutual Insurance Company proposed the construction of Adriaen's Landing. The proposal consisted of a 35,000-40,000 seat domed stadium to house University of Connecticut football which would be attached to a convention center along with 400,000 to 500,000 square feet of retail and entertainment space. In November 1998 the plan was modified when the stadium plan was changed to accommodate the Patriots. Robert Kraft, owner of the Patriots, has pledged to build a hotel connected to the stadium and also a National Football League retail center.

The question to be asked is whether or not this is a worthy investment. The State of Connecticut will allocate more than \$300 million in state bonds for the stadium and convention center. These bonds are projected to be paid for by a tax on tickets. The Capital City Economic Development Authority must find \$210 million in private investment. The Patriots will play 10-12 games per season in this stadium, while UConn will play six games. Even

when concerts are included, this stadium will be utilized only about 20 times per year. Even the staunchest supporters of this plan would not call this a good investment.

This is where the convention center comes into play. The Capital City Economic Development Authority estimates a convention center could draw 120,000 visitors a year to the city and pump \$75 million into the region's economy. The authority also projects that the retail and entertainment section of Adriaen's Landing would include specialty stores, entertainment venues, a large movie complex, jazz clubs, music and interactive entertainment and parking. It is expected to create 700 permanent jobs.

There are only two other convention-stadium complexes in the country, located in St. Louis and Indianapolis. Indianapolis, which opened their complex in 1984, has seen the creation of 49,000 new jobs since that time and more than \$211.4 million in local and state government revenue has also been generated since that time. The number of meetings at the convention center has gone up from 30 to 380. In essence, the complex has revitalized the downtown core. Even Market Square Arena in Indianapolis, which houses basketball and hockey has seen an increase in other bookings such as concerts and gymnastics.

Fumbles?

Even though this plan looks like a big win for Hartford, there are still concerns. Urban Strategies, Inc. of Toronto in an economic impact study presented a different view of Hartford's future. While Urban Strategies is in favor of a stadium and convention

center complex, they are against the allocation of several hundred thousand square feet of retail space. Urban Strategies feels that while festival marketplaces have been successful in places like Boston and Baltimore, Hartford is not large enough from a tourist standpoint to support such a project. Urban Strategies instead advocates the construction of 1,250 units of downtown housing.

It is also not entirely appropriate to compare Hartford to St. Louis and Indianapolis due to the fact that those two cities have domed stadiums which can accommodate more events than the open-air stadium in Hartford can. It is also pointed out that the other two cities have a better infrastructure, better public transportation system and better parking than Hartford. Hartford, though, is easily accessible by both air and highway. Many people also remember the Hartford

Whalers who broke the hearts of many fans by moving to North Carolina after playing in Hartford for more than twenty years.

Touchdown!

Is this a good investment? That question is almost impossible to answer objectively. Sports fans will think that it is, non-sports fans will think that it is not. However, remember that last year at this time people were questioning whether a \$19 million baseball stadium in Bridgeport was a good investment. That question was answered when 300,000 fans attended the games, 500 jobs were created and a \$1 billion Harbour Place development was begun. National news organizations reported on how a baseball team revitalized an entire city. If the same results can occur in Hartford, the investment will be worth it. ■

HOUSING UPDATE

Housing Permits Up 27.5% In 1998

Commissioner James F. Abromaitis of the Connecticut Department of Economic and Community Development today announced that Connecticut communities authorized 1,129 new housing units in December 1998, a 81.5 percent increase compared to December of 1997 when 622 were authorized.

The Department further indicated that the 1,129 units permitted in December 1998 represent an increase of 38.2 percent from the 817 units permitted in November 1998. The year-to-date permits are up 27.5 percent, from 9,054 through December 1997, to 11,541 through December 1998.

"The Connecticut housing market continues to show strength," Commissioner Abromaitis said. "The increase in

housing starts, especially in our urban areas, is particularly noteworthy."

Reports from municipal officials throughout the state indicate that Windham County with 311.1 percent showed the greatest percentage increase in December compared to the same month a year ago. Middlesex County followed with a 156.5 percent increase.

Fairfield County documented the largest number of new, authorized units in December with 374. Hartford County followed with 186 units and New Haven County had 147 units. Totals for 1998 indicate that Danbury led all Connecticut communities with 926 units, followed by Manchester with 483 and Newtown with 252. ■

For more information on housing permits, see tables on pages 21-22.

Industry Clusters

1999 Legislation Planned

Last year, SB 599 "The Cluster Bill" enacted critically important changes – broader applicability of the 6 percent research and development (R&D) tax credit to smaller companies and allowance of the R&D tax credit carry-forward for 15 years. The 1999 "Cluster Bill" will further enhance opportunities for small and medium entrepreneurial firms that commonly incur losses in formative years as well as stimulate investor interest in Connecticut companies. Accordingly, the 1999 bill will likely provide:

- An increase in the net operating loss (NOL) carry-forward period from 5 to 20 years, allowing Connecticut to join more than 30 other states currently at the federal NOL level;
- A permit to resell or allow the refundability of R&D tax credits for at least small companies (less than \$50 million in revenue);
- Elimination of the capital gains and income taxes on investments in small Connecticut companies that are held for more than five years.

A study conducted by UConn's Connecticut Center for Economic Analysis showed the increase from 5 to 20 years in the carry-forward period for net operating losses (NOLs) would add about 600 jobs annually. The anticipated growth associated with expanding and selling tax credits exceeds 6,900 jobs. ■

the refurbishment of urban neighborhoods and the suburban development of open farmland?

A report compiled by The Urban Institute and released by the U.S. Department of Labor in June 1997 acknowledged that at each stage in the life cycle, the baby boom generation has changed the demand for public services. In the 1950s and 1960s, the public policy challenge centered on the need for schools; by the mid 1960s, the labor market and institutions of higher education were challenged to absorb larger numbers of individuals; in the 1970s and continuing today, there has been a redefinition of a number of social and economic institutions such as family and work. The social and policy phenomena associated with the baby boom result from a complex interaction of (a) sheer numbers of people in this generation and (b) the coincident occurrence of important events and developments in society and the economy as a whole.

The Generational Cohort

According to the Urban Institute, demographers define a generational cohort as "a group of people born over a relatively short and contiguous time period that is deeply influenced and bound together by the events of their formative years." The U.S. boom generation is categorized into two distinct groups. The first half was born between 1946 and 1955, the second half, between 1956 and 1964. The distinction between the two groups is especially defined by the very different labor market and economic conditions each faced as they entered their work years.

In a May 1993 article for American Demographics magazine, Diane Crispell described six different generational groups: the GI generation, the Depression generation, war babies, baby

boomers, baby busters, and the baby boomlet. When the boomers retire, the baby busters and boomlets are the workers who will have to carry the Social Security program, and once again the boomers' size and longevity (now in terms of life-expectancy) pose the challenge.

Impact On Social Security

Having the boomers so close to making demands on the program has brought a sense of urgency to long-needed Social Security reform. A Scripps Howard Newspapers article from December 1998, "Summit goal: Social Security as a pension, not a pittance," notes that the Social Security system won't go broke, but by 2032 it will be able to pay benefits only at 75% of today's level. For years, Social Security has received more in payroll taxes than it pays in benefits so that it now has about \$700 billion in a "trust fund" of no-risk U.S. bonds. However, in 2022 Social Security will start spending more than it collects, with no cushion left by 2032. Currently 3.3 workers pay into the system for every retiree drawing benefits, but by 2025 there will be only 2.2 workers for every beneficiary, while recipients are expected to live and collect Social Security longer than their parents and grandparents.

Boomers As Investors

Several options have been raised to save Social Security; some involve self-investment. For prior generations that might have been an unlikely option, but once again boomers are different. The Federal Reserve Bank of San Francisco's June 26, 1998 Economic Letter discusses the Life Cycle Hypothesis which predicts that household income will reflect the stage of the earner's life cycle. It notes the impact boomers have made in their working years: "When people

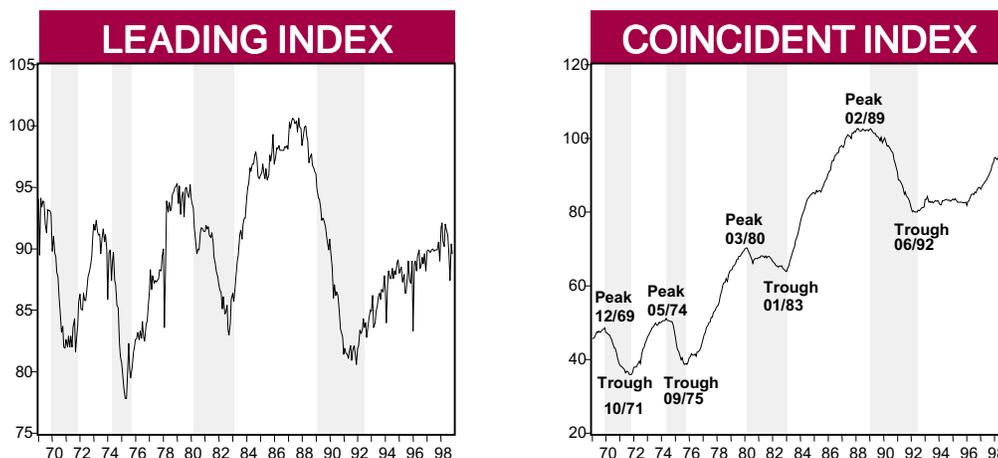
grow a bit older and begin to think about retirement, one would expect that they would begin investing more in financial assets. The arrival of a large cohort at that stage of the life cycle would raise the price of financial securities. The first wave of baby boomers reached age 35 in 1981, which coincides roughly with the beginning of the long bull market in stocks. This may reflect (at least in part) the predicted Life Cycle effects." It is apparent that working age boomers are involved investors. As a result, if self-investment becomes part of the solution for Social Security reform, boomers will probably step up and set the example for those who will follow.

Ongoing Impact

Unlike Von Bismarck's 1880s, the life expectancy is now over 75 years in the U.S., and some experts say the upper limit of human life is about 115 to 120 years. (Earl Fairbanks, Oregon Labor Trends, June 1997). Given that life span, the influence the boomers have had on their first five decades will continue on in decades six, seven, eight, nine, ten and eleven! ■



LEADING AND COINCIDENT INDICATORS



The distance from peak to trough, indicated by the shaded areas, measures the duration of an employment cycle recession. The vertical scale in both charts is an index with 1987=100.

While Current Expansion Continues, Its Future Is Less Certain

The Connecticut coincident employment index rebounded to a new peak with the release of (preliminary) November data. The coincident index recovered all of its September fall after having reached new peaks in June, July, and August. The coincident index now lies just above its prior peak in August. The leading index declined once again, making it the fifth decrease in the last six months. (The October number was revised upward.) The leading index, however, still lies above its August and September levels. As noted before, the August and September retrenchment in the leading index probably reflected in large measure the GM and SNET strikes. As such, considerable uncertainty still exists about whether a downturn in the Connecticut economy is around the corner. We are not yet prepared to call a reversal of direction for the leading index. Despite this we shall continue to monitor the situation closely to identify if and when the leading index signals such a downturn.

As noted before in this column, the growth of the labor force provides an effective constraint on the growth of the Connecticut economy. The construction of the new football stadium for both the New England Patriots and the University of Connecticut football team as well as the other construction associated with Adriaen's Landing will provide a boost to the Connecticut economy. The Hartford labor market area will experience the largest share of this activity. Similar construction activity, if on a smaller scale, is also scheduled for New Haven and Bridgeport. Thousands of new construction jobs should generate a significant growth in income and economic activity. In light of such developments, it is difficult to see how the Connecticut economy can slip into recession. But at the same time, a labor shortage produces an untimely drag on economic expansion. Of course, the needed construction employment may be filled partly by out of state workers, which also occurred

during the construction boom in the late 1980s.

In summary, the coincident employment index rose from 92.5 in November 1997 to 96.4 in November 1998. All four index components, once again, point in a positive direction on a year-over-year basis with higher nonfarm employment, higher total employment, a lower insured unemployment rate, and a lower total unemployment rate.

The leading employment index decreased from 90.5 in November 1997 to 89.6 in November 1998. Three of the five index components sent negative signals on a year-over-year basis with a higher short-duration (less than 15 weeks) unemployment rate, higher initial claims for unemployment insurance, and lower Hartford help-wanted advertising. The other two components sent positive signals on a year-over-year basis with a longer average work week of manufacturing production workers and higher total housing permits. ■

Source: Connecticut Center for Economic Analysis, University of Connecticut. Developed by Pami Dua [Economic Cycle Research Center; NY, NY] and Stephen M. Miller [(860) 486-3853, Storrs Campus]. Kathryn E. Parr and Hulya Varol [(860) 486-3022, Storrs Campus] provided research support.

ECONOMIC INDICATORS OF EMPLOYMENT

Total employment increased by 20,000 over the year, or 1.2 percent.

The construction and mining division experienced the biggest percent job growth from last year.

EMPLOYMENT BY MAJOR INDUSTRY DIVISION

	DEC		CHANGE		NOV
	1998	1997	NO.	%	1998
(Seasonally adjusted; 000s)					
TOTAL NONFARM	1,662.6	1,642.6	20.0	1.2	1,654.8
Private Sector	1,435.8	1,416.3	19.5	1.4	1,429.4
Construction and Mining	62.8	59.7	3.1	5.2	61.1
Manufacturing	274.3	276.3	-2.0	-0.7	275.0
Transportation, Public Utilities	76.9	75.7	1.2	1.6	76.2
Wholesale, Retail Trade	365.0	362.3	2.7	0.7	362.9
Finance, Insurance & Real Estate	136.6	133.6	3.0	2.2	136.3
Services	520.2	508.7	11.5	2.3	517.9
Government	226.8	226.3	0.5	0.2	225.4

Source: Connecticut Department of Labor

December's unemployment rate and initial claims fell over the year.

UNEMPLOYMENT

	DEC		CHANGE		NOV
	1998	1997	NO.	%	1998
(Seasonally adjusted)					
Unemployment Rate, resident (%)	3.1	4.5	-1.4	---	3.8
Labor Force, resident (000s)	1,714.9	1,728.2	-13.3	-0.8	1,725.9
Employed (000s)	1,662.5	1,650.7	11.8	0.7	1,660.4
Unemployed (000s)	52.4	77.5	-25.1	-32.4	65.5
Average Weekly Initial Claims	3,532	4,178	-646	-15.5	3,989
Help Wanted Index -- Htfd. (1987=100)	35	36	-1	-2.8	34
Avg. Insured Unemp. Rate (%)	2.00	2.06	-0.06	---	2.07

Sources: Connecticut Department of Labor; The Conference Board

Both production worker weekly earnings and output increased from a year ago.

MANUFACTURING ACTIVITY

	DEC		CHANGE		NOV
	1998	1997	NO.	%	1998
(Not seasonally adjusted)					
Average Weekly Hours	43.5	43.4	0.1	0.2	43.4
Average Hourly Earnings	\$15.20	\$14.74	\$0.46	3.1	\$14.95
Average Weekly Earnings	\$661.20	\$639.72	\$21.48	3.4	\$648.83
Mfg. Output Index (1982=100)*	123.0	122.2	0.8	0.7	123.0
Production Worker Hours (000s)	6,940	7,011	-71	-1.0	6,869
Productivity Index (1982=100)*	192.4	189.3	3.1	1.6	192.3

Source: Connecticut Department of Labor

*Seasonally adjusted

Personal income for second quarter 1999 is forecasted to increase 4.5 percent from a year ago.

INCOME (Quarterly)

	2Q*		CHANGE		1Q*
	1999	1998	NO.	%	1999
(Seasonally adjusted)					
(Annualized; \$ Millions)					
Personal Income	\$127,531	\$122,060	\$5,471	4.5	\$126,605
UI Covered Wages	\$70,226	\$65,298	\$4,928	7.5	\$69,531

Source: Bureau of Economic Analysis: January 1999 release

*Forecasted by Connecticut Department of Labor

NA= Not Available

Note: This year, the annual revisions to the National Income and Product Accounts (NIPA) in July included the redefinition of the Dividends, Interest, and Rent (DIR) component of Personal Income (PI). The DIR component has been redefined to exclude capital gains distributions from mutual funds. With the October 1998 release, Connecticut's Quarterly PI (QPI) Series reflected this change. Consequently, Connecticut's QPI has been significantly revised for some periods. The Connecticut Labor Department has prepared a summary paper explaining the changes and their impact on the Connecticut QPI Series. For a copy, please contact the Office of Research, at (860) 263-6268.

BUSINESS ACTIVITY

	MONTH	LEVEL	Y/Y %	YEAR TO DATE		%
			CHG	CURRENT	PRIOR	CHG
New Housing Permits	DEC 1998	1,129	81.5	11,541	9,054	27.5
Electricity Sales (mil kWh)	OCT 1998	2,233	-1.9	23,983	23,496	2.1
Retail Sales (Bil. \$)	OCT 1998	2.81	4.1	29.98	28.29	6.0
Construction Contracts Index (1980=100)	NOV 1998	138.1	-39.7	---	---	---
New Auto Registrations	DEC 1998	19,373	25.7	212,060	178,599	18.7
Air Cargo Tons	NOV 1998	11,843	8.2	128,042	121,061	5.8

Air cargo tons were up 5.8 percent through the month of November. Retail sales increased by 6.0 percent through October.

Sources: Department of Economic and Community Development; U.S. Department of Energy, Energy Information Administration; Connecticut Department of Revenue Services; F.W. Dodge; Connecticut Department of Motor Vehicles; Connecticut Department of Transportation, Bureau of Aviation and Ports

BUSINESS STARTS AND TERMINATIONS

	DEC	% CHANGE		YEAR TO DATE		%
	1998	M/M	Y/Y	CURRENT	PRIOR	CHG
STARTS						
Secretary of the State	1,984	37.7	6.0	20,121	17,807	13.0
Department of Labor	623	-30.1	-2.8	9,966	10,412	-4.3
TERMINATIONS						
Secretary of the State	899	166.8	6.5	4,501	4,363	3.2
Department of Labor	527	-33.6	-15.1	12,227	11,623	5.2

Net business formations as measured by starts minus stops registered with the Secretary of the State were 15,620 for 1998.

Sources: Connecticut Secretary of the State -- corporations and other legal entities
Connecticut Department of Labor -- unemployment insurance program registrations

STATE TAX COLLECTIONS

(Millions of dollars)	DEC			FISCAL YEAR TOTALS		
	1998	DEC 1997	% CHG	1997-98	1996-97	% CHG
TOTAL ALL TAXES*	811.8	758.4	7.0	3,373.6	3,228.6	4.5
Corporate Tax	88.9	100.5	-11.5	215.2	217.9	-1.2
Personal Income Tax	378.8	328.0	15.5	1,348.6	1,249.1	8.0
Real Estate Conv. Tax	8.4	8.2	0.2	55.0	48.4	13.6
Sales & Use Tax	229.3	205.8	11.4	1,166.4	1,103.3	5.7

Overall tax collections were up 4.5 percent from the same month a year ago. The largest gains were the real estate conveyance tax, up 13.6 percent, and personal income tax, up 8.0 percent.

Source: Connecticut Department of Revenue Services
*Includes all sources of tax revenue; Only selected taxes are displayed.

TOURISM AND TRAVEL

	MONTH	LEVEL	Y/Y %	YEAR TO DATE		%
			CHG	CURRENT	PRIOR	CHG
Tourism Inquiries	DEC 1998	6,218	9.3	265,626	270,435	-1.8
Info Center Visitors	DEC 1998	38,178	19.6	605,939	550,958	10.0
Major Attraction Visitors	DEC 1998	63,734	-7.8	1,655,149	1,854,962	-10.8
Hotel-Motel Occupancy	NOV 1998	71.6	-0.4	75.1	75.3	-0.3
Air Passenger Count	NOV 1998	479,489	8.4	4,669,960	4,490,142	4.0

Air passenger traffic was up 4.0 percent through November compared with the same period a year ago.

Sources: Connecticut Department of Transportation, Bureau of Aviation and Ports; Connecticut Department of Economic and Community Development; Connecticut Lodging & Attractions Association

ECONOMIC INDICATORS

Compensation costs for the nation rose 3.5 percent over the year, while the Northeast's increased by 3.3 percent.

EMPLOYMENT COST INDEX (Quarterly)

Private Industry Workers (June 1989=100)	Seasonally Adjusted			Not Seasonally Adjusted		
	DEC 1998	SEP 1998	3-Mo %Chg	DEC 1998	DEC 1997	12-Mo %Chg
UNITED STATES TOTAL	139.7	138.7	0.7	139.8	135.1	3.5
Wages and Salaries	137.6	136.6	0.7	137.4	132.3	3.9
Benefit Costs	145.1	144.2	0.6	145.2	141.8	2.4
NORTHEAST TOTAL	---	---	---	139.5	135.0	3.3
Wages and Salaries	---	---	---	136.4	131.6	3.6

Source: U.S. Department of Labor, Bureau of Labor Statistics

The U.S. inflation rate for December was 1.6 percent, with a 2.0 percent increase in the Boston index. Consumer confidence for both the U.S. and New England were down from their year-ago levels.

CONSUMER NEWS

(Not seasonally adjusted)	DEC 1998	NOV 1998	DEC 1997	% CHG	
				M/M	Y/Y
CONSUMER PRICE INDEX (1982-1984=100)					
<i>All Urban Consumers</i>					
U.S. City Average	163.9	164.0	161.3	-0.1	1.6
Purchasing Power of Consumer Dollar: (1982-84=\$1.00)	\$0.610	\$0.610	\$0.620	0.1	-1.6
Northeast Region	171.2	172.2	168.4	-0.6	1.7
NY-Northern NJ-Long Island	174.7	174.7	171.9	0.0	1.6
Boston-Brockton-Nashua*	---	173.3	---	---	2.0
<i>Urban Wage Earners and Clerical Workers</i>					
U.S. City Average	160.7	160.7	158.2	0.0	1.6
CONSUMER CONFIDENCE (1985=100)					
U.S.	126.1	126.4	136.2	-0.2	-7.4
New England	121.0	116.9	132.8	3.5	-8.9

*The Boston CPI can be used as a proxy for New England and is measured every other month.
Sources: U.S. Department of Labor, Bureau of Labor Statistics; The Conference Board

Interest rates were uniformly lower than their year-ago levels including a prime rate of 7.75 and a 6.72 percent 30-year conventional mortgage rate.

INTEREST RATES

(Percent)	DEC 1998	NOV 1998	DEC 1997
Prime	7.75	7.89	8.50
Federal Funds	4.68	4.83	5.50
3 Month Treasury Bill	4.42	4.44	5.16
6 Month Treasury Bill	4.43	4.43	5.24
1 Year Treasury Bill	4.52	4.53	5.53
3 Year Treasury Note	4.48	4.57	5.74
5 Year Treasury Note	4.45	4.54	5.77
7 Year Treasury Note	4.65	4.78	5.83
10 Year Treasury Note	4.65	4.83	5.81
30 Year Treasury Bond	5.06	5.25	5.99
Conventional Mortgage	6.72	6.87	7.10

Sources: Federal Reserve; Federal Home Loan Mortgage Corp.

COMPARATIVE REGIONAL DATA

NONFARM EMPLOYMENT

<i>(Seasonally adjusted; 000s)</i>	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
Connecticut	1,662.6	1,642.6	20.0	1.2	1,654.8
Maine	571.4	561.4	10.0	1.8	570.4
Massachusetts	3,225.9	3,168.4	57.5	1.8	3,216.9
New Hampshire	572.1	570.0	2.1	0.4	570.7
New Jersey	3,832.4	3,766.5	65.9	1.7	3,821.5
New York	8,235.7	8,095.6	140.1	1.7	8,217.8
Pennsylvania	5,488.7	5,446.5	42.2	0.8	5,484.8
Rhode Island	456.3	453.4	2.9	0.6	455.8
Vermont	285.1	281.4	3.7	1.3	283.7
United States	127,156.0	124,289.0	2,867.0	2.3	126,778.0

All states in the region posted job gains over the year.

Source: U.S. Department of Labor, Bureau of Labor Statistics

LABOR FORCE

<i>(Seasonally adjusted; 000s)</i>	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
Connecticut	1,714.9	1,728.2	-13.3	-0.8	1,725.9
Maine	662.8	661.1	1.7	0.3	666.4
Massachusetts	3,276.2	3,254.5	21.7	0.7	3,269.2
New Hampshire	657.5	651.2	6.3	1.0	657.7
New Jersey	4,187.0	4,178.1	8.9	0.2	4,178.6
New York	8,808.0	8,775.9	32.1	0.4	8,816.3
Pennsylvania	5,925.9	5,991.7	-65.8	-1.1	5,937.8
Rhode Island	502.4	507.5	-5.1	-1.0	502.8
Vermont	332.7	330.3	2.4	0.7	331.6
United States	138,547.0	137,086.0	1,461.0	1.1	138,193.0

Connecticut, Pennsylvania, and Rhode Island experienced declines in the labor force from last year.

Source: U.S. Department of Labor, Bureau of Labor Statistics

UNEMPLOYMENT RATES

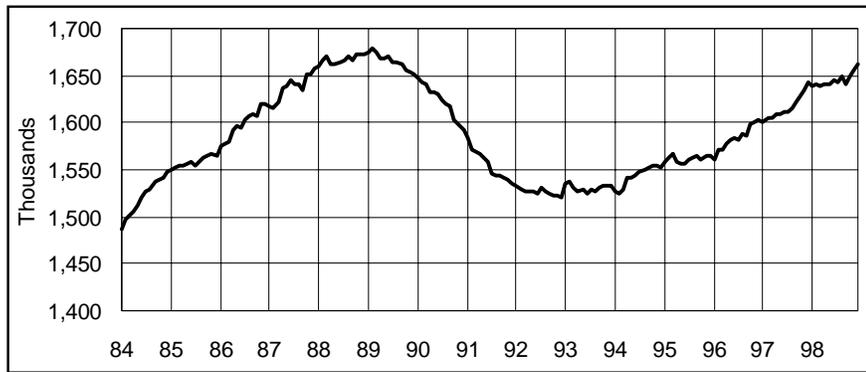
<i>(Seasonally adjusted)</i>	DEC	DEC	CHANGE	NOV
	1998	1997		1998
Connecticut	3.1	4.5	-1.4	3.8
Maine	3.9	5.3	-1.4	4.3
Massachusetts	3.1	3.8	-0.7	2.9
New Hampshire	2.9	2.9	0.0	3.1
New Jersey	4.4	4.9	-0.5	4.5
New York	5.5	6.1	-0.6	5.5
Pennsylvania	4.4	4.8	-0.4	4.6
Rhode Island	4.0	4.9	-0.9	5.0
Vermont	2.9	3.7	-0.8	2.9
United States	4.3	4.7	-0.4	4.4

New Hampshire and Vermont posted the lowest unemployment rate in December.

Source: U.S. Department of Labor, Bureau of Labor Statistics

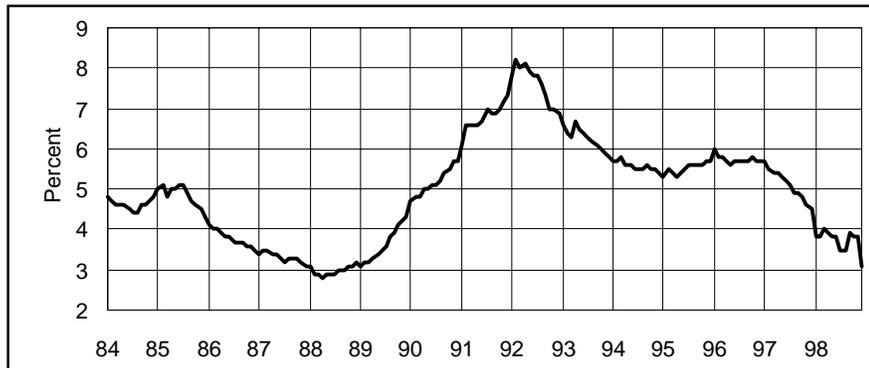
ECONOMIC INDICATOR TRENDS

NONFARM EMPLOYMENT *(Seasonally adjusted)*



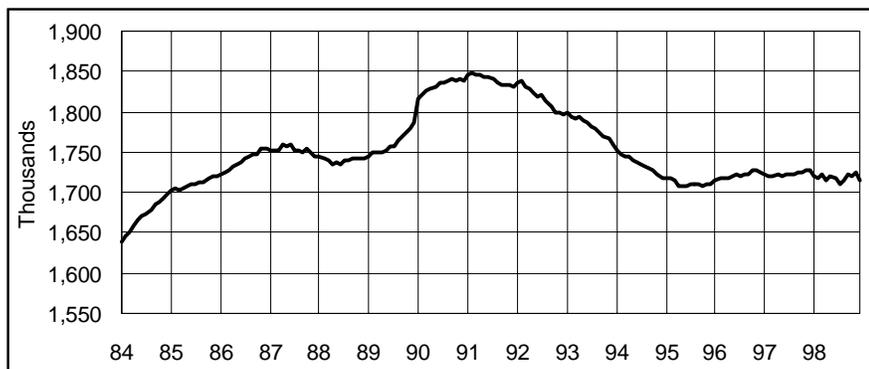
Month	1996	1997	1998
Jan	1,560.2	1,600.5	1,639.6
Feb	1,570.2	1,603.9	1,641.2
Mar	1,571.3	1,605.6	1,639.6
Apr	1,576.8	1,608.8	1,641.9
May	1,581.5	1,609.3	1,641.8
Jun	1,583.9	1,611.1	1,644.9
Jul	1,580.7	1,611.9	1,643.8
Aug	1,588.9	1,616.1	1,649.9
Sep	1,586.7	1,621.7	1,640.7
Oct	1,598.2	1,627.2	1,649.7
Nov	1,600.4	1,634.6	1,654.8
Dec	1,601.9	1,642.6	1,662.6

UNEMPLOYMENT RATE *(Seasonally adjusted)*



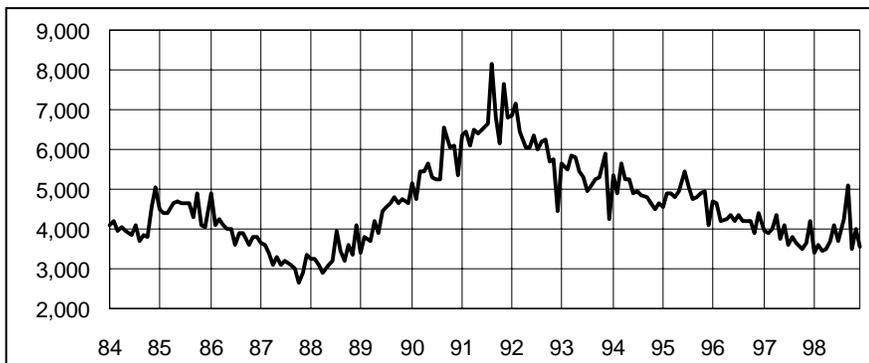
Month	1996	1997	1998
Jan	6.0	5.7	3.8
Feb	5.8	5.5	3.8
Mar	5.8	5.4	4.0
Apr	5.7	5.4	3.9
May	5.6	5.3	3.8
Jun	5.7	5.2	3.8
Jul	5.7	5.1	3.5
Aug	5.7	4.9	3.5
Sep	5.7	4.9	3.9
Oct	5.8	4.8	3.8
Nov	5.7	4.6	3.8
Dec	5.7	4.5	3.1

LABOR FORCE *(Seasonally adjusted)*



Month	1996	1997	1998
Jan	1,714.4	1,723.6	1,720.0
Feb	1,717.2	1,720.8	1,716.8
Mar	1,717.7	1,720.5	1,722.4
Apr	1,718.5	1,722.2	1,714.9
May	1,719.2	1,721.0	1,721.1
Jun	1,721.5	1,721.7	1,718.0
Jul	1,721.0	1,722.0	1,709.3
Aug	1,722.4	1,722.9	1,715.8
Sep	1,722.0	1,723.9	1,722.3
Oct	1,727.1	1,725.7	1,720.7
Nov	1,726.9	1,726.6	1,725.9
Dec	1,726.1	1,728.2	1,714.9

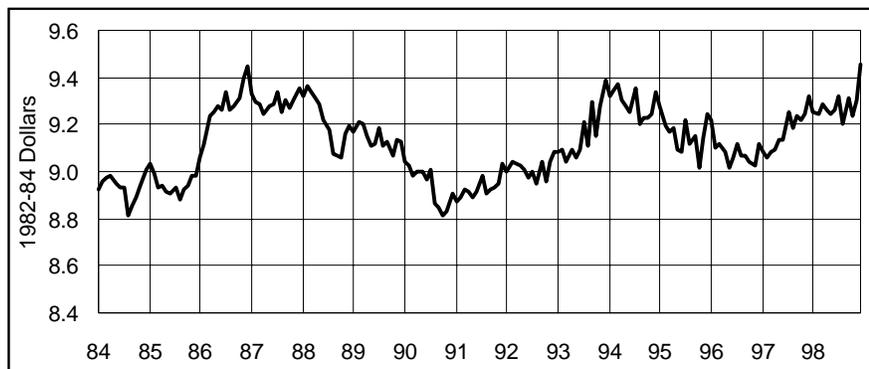
AVERAGE WEEKLY INITIAL CLAIMS *(Seasonally adjusted)*



Month	1996	1997	1998
Jan	4,702	3,946	3,386
Feb	4,666	3,903	3,578
Mar	4,192	4,012	3,444
Apr	4,250	4,326	3,493
May	4,374	3,768	3,677
Jun	4,211	4,100	4,093
Jul	4,355	3,621	3,703
Aug	4,223	3,799	4,253
Sep	4,194	3,629	5,092
Oct	4,193	3,503	3,501
Nov	3,881	3,670	3,989
Dec	4,383	4,178	3,532

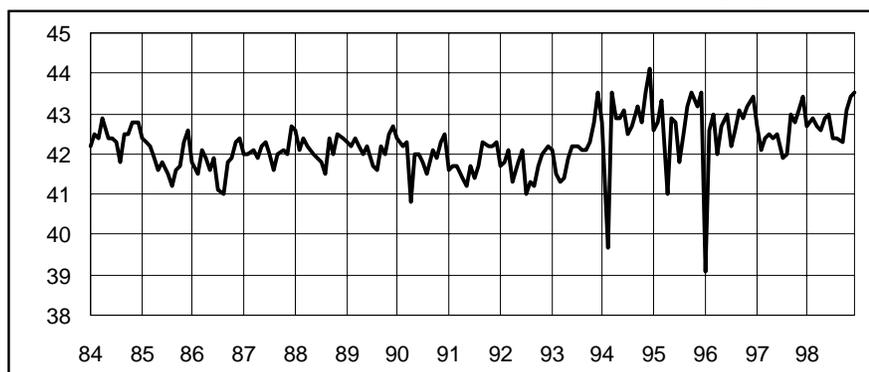
ECONOMIC INDICATOR TRENDS

REAL AVG MANUFACTURING HOURLY EARNINGS *(Not seasonally adjusted)*



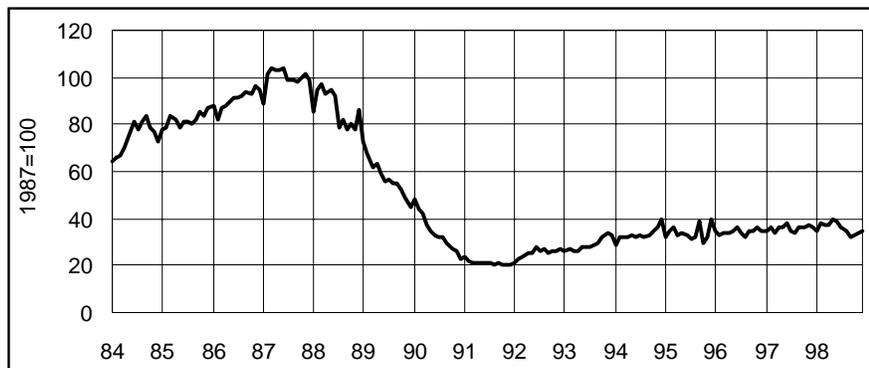
Month	1996	1997	1998
Jan	\$9.22	\$9.09	\$9.26
Feb	9.10	9.06	9.25
Mar	9.12	9.08	9.29
Apr	9.09	9.09	9.26
May	9.01	9.13	9.25
Jun	9.06	9.14	9.26
Jul	9.12	9.26	9.32
Aug	9.07	9.19	9.20
Sep	9.07	9.24	9.31
Oct	9.04	9.22	9.24
Nov	9.03	9.25	9.30
Dec	9.12	9.32	9.46

AVG MANUFACTURING WEEKLY HOURS *(Not seasonally adjusted)*



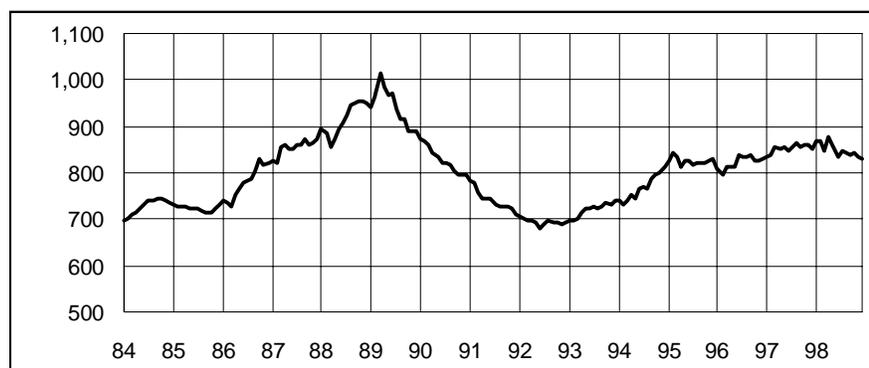
Month	1996	1997	1998
Jan	39.1	42.7	42.7
Feb	42.6	42.1	42.9
Mar	43.0	42.4	42.7
Apr	42.0	42.5	42.6
May	42.7	42.4	42.9
Jun	43.0	42.5	43.0
Jul	42.2	41.9	42.4
Aug	42.6	42.0	42.4
Sep	43.1	43.0	42.3
Oct	42.9	42.8	43.1
Nov	43.2	43.1	43.4
Dec	43.4	43.4	43.5

HARTFORD HELP WANTED INDEX *(Seasonally adjusted)*



Month	1996	1997	1998
Jan	35	35	35
Feb	33	36	38
Mar	34	34	37
Apr	34	36	37
May	35	36	40
Jun	36	38	39
Jul	34	35	36
Aug	32	34	35
Sep	35	36	32
Oct	35	35	33
Nov	36	37	34
Dec	35	36	35

DOL NEWLY REGISTERED EMPLOYERS *(12-month moving average)*



Month	1996	1997	1998
Jan	810	833	868
Feb	794	840	870
Mar	812	856	846
Apr	813	849	878
May	811	856	861
Jun	838	848	836
Jul	833	856	849
Aug	833	862	841
Sep	838	854	838
Oct	825	859	845
Nov	825	859	836
Dec	828	852	832

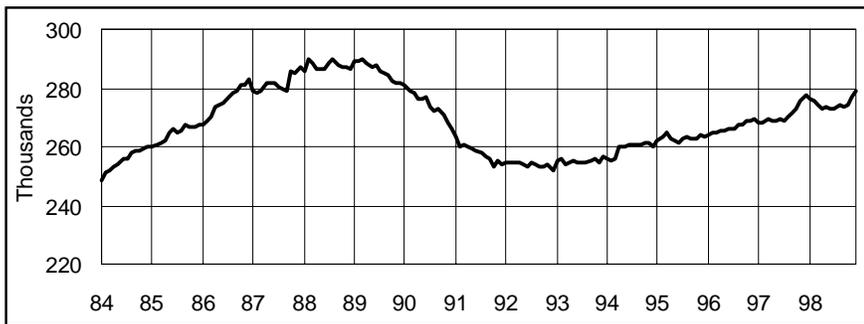
ECONOMIC INDICATOR TRENDS

WHOLESALE TRADE EMPLOYMENT *(Seasonally adjusted)*



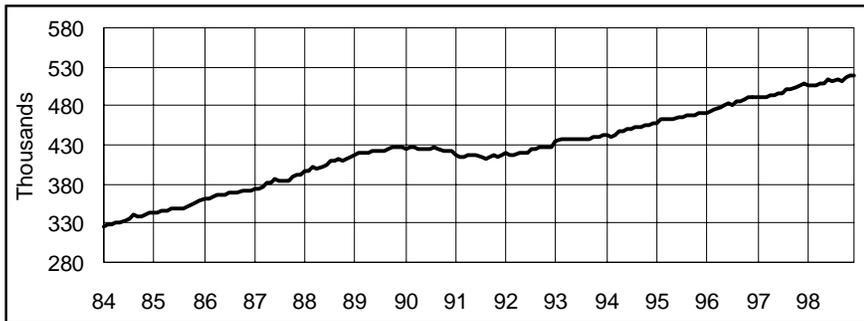
Month	1996	1997	1998
Jan	78.7	81.4	84.2
Feb	79.5	82.0	84.2
Mar	79.8	82.2	84.7
Apr	80.2	82.7	85.0
May	80.3	83.2	85.4
Jun	80.3	83.1	85.6
Jul	80.4	83.8	86.3
Aug	80.9	83.9	86.0
Sep	80.8	83.7	85.5
Oct	81.1	83.4	85.5
Nov	81.7	84.2	86.1
Dec	81.9	84.7	86.1

RETAIL TRADE EMPLOYMENT *(Seasonally adjusted)*



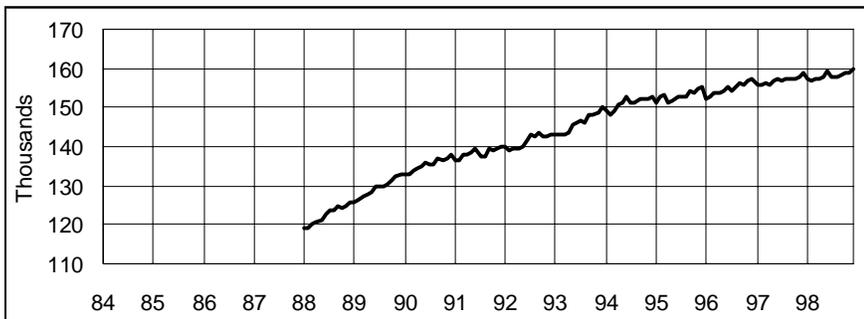
Month	1996	1997	1998
Jan	264.2	268.4	276.0
Feb	264.8	268.3	275.7
Mar	265.0	269.5	274.3
Apr	265.1	268.5	272.9
May	265.7	269.0	273.4
Jun	266.4	269.6	272.8
Jul	266.3	268.9	272.8
Aug	267.3	270.0	274.0
Sep	267.3	271.3	273.7
Oct	268.7	273.2	274.1
Nov	268.5	275.4	276.8
Dec	269.4	277.6	278.9

TOTAL SERVICES EMPLOYMENT *(Seasonally adjusted)*



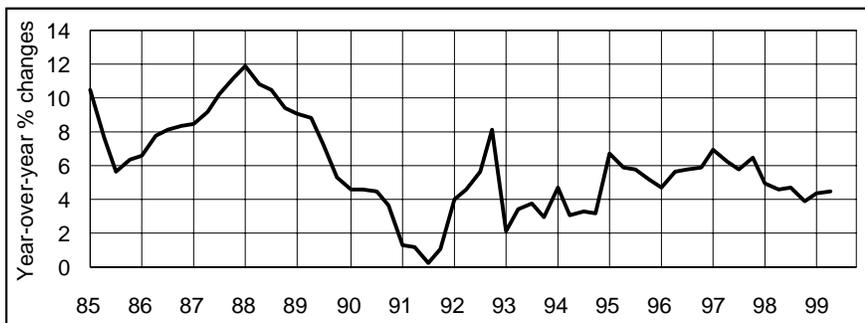
Month	1996	1997	1998
Jan	470.8	490.5	506.6
Feb	474.3	490.6	506.9
Mar	475.7	491.6	505.4
Apr	477.3	493.6	509.3
May	480.8	493.6	509.0
Jun	482.2	495.7	512.9
Jul	481.5	495.4	511.1
Aug	484.9	500.8	514.7
Sep	486.1	500.7	512.3
Oct	488.1	503.5	515.7
Nov	490.0	506.4	517.9
Dec	490.7	508.7	520.2

HEALTH SERVICES EMPLOYMENT *(Not seasonally adjusted)*



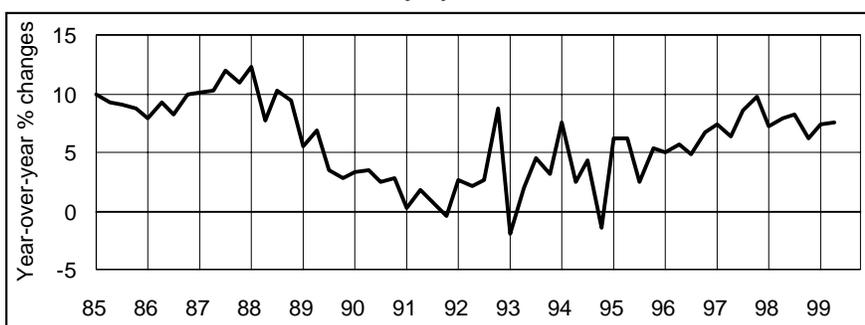
Month	1996	1997	1998
Jan	152.3	155.7	157.2
Feb	152.8	155.6	156.8
Mar	153.7	156.2	157.1
Apr	153.7	156.0	157.1
May	154.2	156.7	158.0
Jun	155.3	157.5	159.2
Jul	154.4	156.7	157.9
Aug	155.2	157.2	157.9
Sep	156.2	157.5	158.2
Oct	155.6	157.2	158.6
Nov	156.6	158.0	159.0
Dec	157.4	158.8	159.8

PERSONAL INCOME *(Seasonally adjusted)*



Quarter	1997	1998	1999
First	6.9	4.9	4.4
Second	6.3	4.6	4.5
Third	5.7	4.7	
Fourth	6.5	3.9	

UI COVERED WAGES *(Seasonally adjusted)*



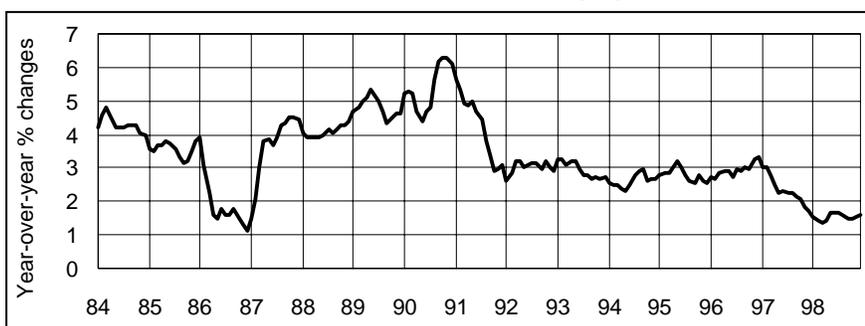
Quarter	1997	1998	1999
First	7.3	7.3	7.4
Second	6.3	7.8	7.5
Third	8.6	8.3	
Fourth	9.7	6.2	

U.S. EMPLOYMENT COST INDEX *(Seasonally adjusted)*



Quarter	1996	1997	1998
First	2.8	2.8	3.3
Second	2.8	2.8	3.4
Third	2.8	2.9	3.7
Fourth	3.0	3.2	3.3

U.S. CONSUMER PRICE INDEX *(Not seasonally adjusted)*



Month	1996	1997	1998
Jan	2.7	3.0	1.6
Feb	2.7	3.0	1.4
Mar	2.8	2.8	1.4
Apr	2.9	2.5	1.4
May	2.9	2.2	1.7
Jun	2.8	2.3	1.7
Jul	3.0	2.2	1.7
Aug	2.9	2.2	1.6
Sep	3.0	2.2	1.5
Oct	3.0	2.1	1.5
Nov	3.3	1.8	1.5
Dec	3.3	1.7	1.6

NONFARM EMPLOYMENT ESTIMATES

CONNECTICUT



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	1,685,800	1,665,500	20,300	1.2	1,676,100
GOODS PRODUCING INDUSTRIES	338,000	336,900	1,100	0.3	339,600
CONSTRUCTION & MINING	61,700	58,700	3,000	5.1	63,000
MANUFACTURING	276,300	278,200	-1,900	-0.7	276,600
Durable	193,200	195,000	-1,800	-0.9	193,400
Lumber & Furniture	5,100	5,200	-100	-1.9	5,200
Stone, Clay & Glass	3,000	2,900	100	3.4	3,000
Primary Metals	8,900	9,200	-300	-3.3	9,000
Fabricated Metals	34,600	34,700	-100	-0.3	34,800
Machinery & Computer Equipment	34,800	35,100	-300	-0.9	34,800
Electronic & Electrical Equipment	28,900	29,100	-200	-0.7	29,000
Transportation Equipment	49,300	50,000	-700	-1.4	49,000
Instruments	22,100	22,300	-200	-0.9	22,100
Miscellaneous Manufacturing	6,500	6,500	0	0.0	6,500
Nondurable	83,100	83,200	-100	-0.1	83,200
Food	8,400	8,400	0	0.0	8,500
Textiles	2,200	2,200	0	0.0	2,200
Apparel	4,600	4,800	-200	-4.2	4,700
Paper	7,900	7,900	0	0.0	7,900
Printing & Publishing	25,800	25,600	200	0.8	25,800
Chemicals	21,200	21,000	200	1.0	21,200
Rubber & Plastics	11,000	11,000	0	0.0	10,900
Other Nondurable Manufacturing	2,000	2,300	-300	-13.0	2,000
SERVICE PRODUCING INDUSTRIES	1,347,800	1,328,600	19,200	1.4	1,336,500
TRANS., COMM. & UTILITIES	77,700	76,500	1,200	1.6	77,000
Transportation	45,500	45,000	500	1.1	44,800
Motor Freight & Warehousing	12,000	11,900	100	0.8	11,600
Other Transportation	33,500	33,100	400	1.2	33,200
Communications	20,000	19,200	800	4.2	20,000
Utilities	12,200	12,300	-100	-0.8	12,200
TRADE	377,200	374,400	2,800	0.7	369,000
Wholesale	86,700	85,300	1,400	1.6	86,200
Retail	290,500	289,100	1,400	0.5	282,800
General Merchandise	32,000	32,400	-400	-1.2	30,700
Food Stores	54,300	54,200	100	0.2	53,700
Auto Dealers & Gas Stations	27,100	27,300	-200	-0.7	27,000
Restaurants	79,000	78,900	100	0.1	77,900
Other Retail Trade	98,100	96,300	1,800	1.9	93,500
FINANCE, INS. & REAL ESTATE	136,700	133,800	2,900	2.2	136,000
Finance	49,700	47,600	2,100	4.4	49,500
Banking	24,200	23,800	400	1.7	24,100
Insurance	70,700	69,900	800	1.1	70,300
Insurance Carriers	59,400	58,900	500	0.8	59,100
Real Estate	16,400	16,300	100	0.6	16,200
SERVICES	523,300	511,600	11,700	2.3	521,500
Hotels & Lodging Places	11,100	10,400	700	6.7	11,100
Personal Services	18,500	18,600	-100	-0.5	18,300
Business Services	111,400	108,500	2,900	2.7	110,700
Health Services	159,800	158,800	1,000	0.6	159,000
Legal & Engineering Services	54,800	53,100	1,700	3.2	54,600
Educational Services	45,000	43,500	1,500	3.4	45,200
Other Services	122,700	118,700	4,000	3.4	122,600
GOVERNMENT	232,900	232,300	600	0.3	233,000
Federal	23,000	23,600	-600	-2.5	22,300
**State, Local & Other Government	209,900	208,700	1,200	0.6	210,700

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

*Total excludes workers idled due to labor-management disputes. **Includes Indian tribal government employment.

NONFARM EMPLOYMENT ESTIMATES

BRIDGEPORT LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	186,400	186,500	-100	-0.1	186,200
GOODS PRODUCING INDUSTRIES	46,300	46,500	-200	-0.4	46,700
CONSTRUCTION & MINING	7,000	6,500	500	7.7	7,300
MANUFACTURING	39,300	40,000	-700	-1.8	39,400
Durable Goods	32,100	32,700	-600	-1.8	32,300
Fabricated Metals	4,200	4,400	-200	-4.5	4,300
Industrial Machinery	6,400	6,500	-100	-1.5	6,400
Electronic Equipment	6,500	6,500	0	0.0	6,700
Transportation Equipment	8,800	9,000	-200	-2.2	8,700
Nondurable Goods	7,200	7,300	-100	-1.4	7,100
Printing & Publishing	2,100	2,100	0	0.0	2,100
SERVICE PRODUCING INDUSTRIES	140,100	140,000	100	0.1	139,500
TRANS., COMM. & UTILITIES	7,100	7,200	-100	-1.4	7,100
TRADE	43,100	42,700	400	0.9	42,400
Wholesale	9,900	9,900	0	0.0	9,900
Retail	33,200	32,800	400	1.2	32,500
FINANCE, INS. & REAL ESTATE	10,300	10,400	-100	-1.0	10,300
SERVICES	58,600	58,600	0	0.0	58,600
Business Services	13,900	13,900	0	0.0	14,000
Health Services	19,200	19,300	-100	-0.5	19,200
GOVERNMENT	21,000	21,100	-100	-0.5	21,100
Federal	2,100	2,300	-200	-8.7	2,100
State & Local	18,900	18,800	100	0.5	19,000

For further information on the Bridgeport Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

DANBURY LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	89,900	88,700	1,200	1.4	88,900
GOODS PRODUCING INDUSTRIES	22,200	22,600	-400	-1.8	22,200
CONSTRUCTION & MINING	3,800	3,600	200	5.6	3,900
MANUFACTURING	18,400	19,000	-600	-3.2	18,300
Durable Goods	9,800	9,800	0	0.0	9,800
Machinery & Electric Equipment	4,700	4,800	-100	-2.1	4,700
Instruments	2,800	2,700	100	3.7	2,800
Nondurable Goods	8,600	9,200	-600	-6.5	8,500
Printing & Publishing	2,500	2,700	-200	-7.4	2,500
Chemicals	3,400	3,500	-100	-2.9	3,400
SERVICE PRODUCING INDUSTRIES	67,700	66,100	1,600	2.4	66,700
TRANS., COMM. & UTILITIES	2,800	2,500	300	12.0	2,800
TRADE	23,100	23,400	-300	-1.3	22,800
Wholesale	4,200	3,900	300	7.7	4,200
Retail	18,900	19,500	-600	-3.1	18,600
FINANCE, INS. & REAL ESTATE	5,200	4,800	400	8.3	5,100
SERVICES	25,500	24,800	700	2.8	25,300
GOVERNMENT	11,100	10,600	500	4.7	10,700
Federal	900	800	100	12.5	800
State & Local	10,200	9,800	400	4.1	9,900

For further information on the Danbury Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

*Total excludes workers idled due to labor-management disputes.

NONFARM EMPLOYMENT ESTIMATES

DANIELSON LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	20,900	20,600	300	1.5	20,900
GOODS PRODUCING INDUSTRIES	7,000	7,000	0	0.0	7,100
CONSTRUCTION & MINING	900	800	100	12.5	1,000
MANUFACTURING	6,100	6,200	-100	-1.6	6,100
Durable Goods	2,600	2,800	-200	-7.1	2,600
Nondurable Goods	3,500	3,400	100	2.9	3,500
SERVICE PRODUCING INDUSTRIES	13,900	13,600	300	2.2	13,800
TRANS., COMM. & UTILITIES	500	500	0	0.0	500
TRADE	4,800	4,700	100	2.1	4,700
Wholesale	700	700	0	0.0	700
Retail	4,100	4,000	100	2.5	4,000
FINANCE, INS. & REAL ESTATE	600	600	0	0.0	600
SERVICES	4,800	4,700	100	2.1	4,800
GOVERNMENT	3,200	3,100	100	3.2	3,200
Federal	100	100	0	0.0	100
State & Local	3,100	3,000	100	3.3	3,100

For further information on the Danielson Labor Market Area contact Noreen Passardi at (860) 263-6299.

HARTFORD LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	610,200	607,000	3,200	0.5	607,900
GOODS PRODUCING INDUSTRIES	113,800	113,400	400	0.4	114,300
CONSTRUCTION & MINING	19,500	19,500	0	0.0	20,000
MANUFACTURING	94,300	93,900	400	0.4	94,300
Durable Goods	74,800	74,400	400	0.5	74,700
Primary & Fabricated Metals	18,200	18,200	0	0.0	18,300
Industrial Machinery	14,600	14,800	-200	-1.4	14,600
Electronic Equipment	5,900	6,400	-500	-7.8	5,900
Transportation Equipment	27,600	26,600	1,000	3.8	27,400
Nondurable Goods	19,500	19,500	0	0.0	19,600
Printing & Publishing	7,600	7,900	-300	-3.8	7,600
SERVICE PRODUCING INDUSTRIES	496,400	493,600	2,800	0.6	493,600
TRANS., COMM. & UTILITIES	27,900	27,400	500	1.8	27,700
Transportation	16,700	16,400	300	1.8	16,500
Communications & Utilities	11,200	11,000	200	1.8	11,200
TRADE	129,000	128,900	100	0.1	126,400
Wholesale	30,800	30,400	400	1.3	30,600
Retail	98,200	98,500	-300	-0.3	95,800
FINANCE, INS. & REAL ESTATE	69,200	68,700	500	0.7	68,800
Deposit & Nondeposit Institutions	9,700	9,400	300	3.2	9,600
Insurance Carriers	46,800	46,700	100	0.2	46,500
SERVICES	174,000	173,200	800	0.5	173,900
Business Services	31,100	33,100	-2,000	-6.0	31,300
Health Services	60,300	59,900	400	0.7	59,900
GOVERNMENT	96,300	95,400	900	0.9	96,800
Federal	8,000	8,200	-200	-2.4	7,900
State & Local	88,300	87,200	1,100	1.3	88,900

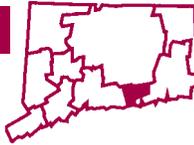
For further information on the Hartford Labor Market Area contact Arthur Famiglietti at (860) 263-6297.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

*Total excludes workers idled due to labor-management disputes.

NONFARM EMPLOYMENT ESTIMATES

LOWER RIVER LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	9,700	9,500	200	2.1	10,000
GOODS PRODUCING INDUSTRIES	3,200	3,400	-200	-5.9	3,400
CONSTRUCTION & MINING	200	300	-100	-33.3	400
MANUFACTURING	3,000	3,100	-100	-3.2	3,000
Durable Goods	2,400	2,400	0	0.0	2,400
Electronic Equipment	800	800	0	0.0	800
Other Durable Goods	1,600	1,600	0	0.0	1,600
Nondurable Goods	600	700	-100	-14.3	600
Rubber & Plastics	300	300	0	0.0	300
Other Nondurable Goods	300	400	-100	-25.0	300
SERVICE PRODUCING INDUSTRIES	6,500	6,100	400	6.6	6,600
TRANS., COMM. & UTILITIES	400	300	100	33.3	400
TRADE	2,300	2,100	200	9.5	2,300
Wholesale	400	400	0	0.0	400
Retail	1,900	1,700	200	11.8	1,900
FINANCE, INS. & REAL ESTATE	400	300	100	33.3	400
SERVICES	2,500	2,500	0	0.0	2,600
GOVERNMENT	900	900	0	0.0	900
Federal	0	0	0	0.0	0
State & Local	900	900	0	0.0	900

For further information on the Lower River Labor Market Area contact Noreen Passardi at (860) 263-6299.

NEW HAVEN LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	253,300	253,000	300	0.1	254,100
GOODS PRODUCING INDUSTRIES	48,400	48,700	-300	-0.6	48,500
CONSTRUCTION & MINING	9,200	9,300	-100	-1.1	9,300
MANUFACTURING	39,200	39,400	-200	-0.5	39,200
Durable Goods	24,700	24,900	-200	-0.8	24,700
Primary & Fabricated Metals	6,600	6,700	-100	-1.5	6,600
Electronic Equipment	5,400	5,000	400	8.0	5,300
Nondurable Goods	14,500	14,500	0	0.0	14,500
Paper, Printing & Publishing	5,200	5,200	0	0.0	5,200
Chemicals & Allied	6,200	6,000	200	3.3	6,200
SERVICE PRODUCING INDUSTRIES	204,900	204,300	600	0.3	205,600
TRANS., COMM. & UTILITIES	16,700	16,300	400	2.5	16,700
Communications & Utilities	9,100	8,700	400	4.6	9,100
TRADE	54,200	54,200	0	0.0	54,000
Wholesale	13,400	13,100	300	2.3	13,300
Retail	40,800	41,100	-300	-0.7	40,700
Eating & Drinking Places	10,800	10,800	0	0.0	10,900
FINANCE, INS. & REAL ESTATE	12,800	12,800	0	0.0	12,800
Finance	3,700	3,800	-100	-2.6	3,700
Insurance	7,100	6,900	200	2.9	7,100
SERVICES	90,000	89,800	200	0.2	90,400
Business Services	12,100	13,300	-1,200	-9.0	12,000
Health Services	29,000	28,700	300	1.0	28,900
GOVERNMENT	31,200	31,200	0	0.0	31,700
Federal	5,300	5,500	-200	-3.6	5,300
State & Local	25,900	25,700	200	0.8	26,400

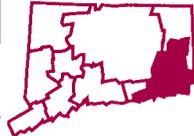
For further information on the New Haven Labor Market Area contact J. Charles Joo at (860) 263-6293.

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

*Total excludes workers idled due to labor-management disputes.

NONFARM EMPLOYMENT ESTIMATES

NEW LONDON LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	140,300	138,600	1,700	1.2	139,900
GOODS PRODUCING INDUSTRIES	28,800	29,000	-200	-0.7	29,000
CONSTRUCTION & MINING	4,800	4,600	200	4.3	4,900
MANUFACTURING	24,000	24,400	-400	-1.6	24,100
Durable Goods	14,200	14,800	-600	-4.1	14,300
Primary & Fabricated Metals	2,300	2,300	0	0.0	2,300
Other Durable Goods	11,900	12,500	-600	-4.8	12,000
Nondurable Goods	9,800	9,600	200	2.1	9,800
Paper & Allied	900	1,000	-100	-10.0	900
Other Nondurable Goods	7,600	7,200	400	5.6	7,600
SERVICE PRODUCING INDUSTRIES	111,500	109,600	1,900	1.7	110,900
TRANS., COMM. & UTILITIES	6,600	6,400	200	3.1	6,600
TRADE	29,400	29,000	400	1.4	29,100
Wholesale	2,800	2,700	100	3.7	2,800
Retail	26,600	26,300	300	1.1	26,300
Eating & Drinking Places	7,700	7,800	-100	-1.3	7,700
Other Retail	18,900	18,600	300	1.6	18,600
FINANCE, INS. & REAL ESTATE	3,900	3,700	200	5.4	3,900
SERVICES	35,100	34,300	800	2.3	34,800
Personal & Business Services	6,600	6,500	100	1.5	6,500
Health Services	11,900	11,600	300	2.6	11,800
GOVERNMENT	36,500	36,200	300	0.8	36,500
Federal	2,600	2,700	-100	-3.7	2,600
State & Local	33,900	33,500	400	1.2	33,900
**Local	30,100	29,700	400	1.3	30,100

For further information on the New London Labor Market Area contact Lincoln Dyer at (860) 263-6292.

STAMFORD LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	212,500	210,300	2,200	1.0	211,100
GOODS PRODUCING INDUSTRIES	32,000	33,500	-1,500	-4.5	32,400
CONSTRUCTION & MINING	5,600	6,000	-400	-6.7	5,800
MANUFACTURING	26,400	27,500	-1,100	-4.0	26,600
Durable Goods	13,900	14,600	-700	-4.8	14,100
Industrial Machinery	3,700	3,800	-100	-2.6	3,700
Electronic Equipment	2,400	2,500	-100	-4.0	2,500
Nondurable Goods	12,500	12,900	-400	-3.1	12,500
Paper, Printing & Publishing	6,100	6,200	-100	-1.6	6,100
Chemicals & Allied	3,000	3,300	-300	-9.1	3,000
Other Nondurable	3,400	3,400	0	0.0	3,400
SERVICE PRODUCING INDUSTRIES	180,500	176,800	3,700	2.1	178,700
TRANS., COMM. & UTILITIES	9,800	10,100	-300	-3.0	9,800
Communications & Utilities	2,700	3,000	-300	-10.0	2,800
TRADE	49,200	48,300	900	1.9	48,000
Wholesale	12,400	12,500	-100	-0.8	12,300
Retail	36,800	35,800	1,000	2.8	35,700
FINANCE, INS. & REAL ESTATE	26,800	25,400	1,400	5.5	26,600
SERVICES	76,700	74,700	2,000	2.7	76,200
Business Services	23,900	23,100	800	3.5	23,700
Engineering & Mgmt. Services	11,100	10,700	400	3.7	11,100
Other Services	41,700	40,900	800	2.0	41,400
GOVERNMENT	18,000	18,300	-300	-1.6	18,100
Federal	2,100	2,000	100	5.0	2,000
State & Local	15,900	16,300	-400	-2.5	16,100

For further information on the Stamford Labor Market Area contact Joseph Slepki at (860) 263-6278.

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*Total excludes workers idled due to labor-management disputes.

NONFARM EMPLOYMENT ESTIMATES

TORRINGTON LMA

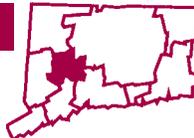


Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	29,100	29,200	-100	-0.3	29,100
GOODS PRODUCING INDUSTRIES	8,300	8,600	-300	-3.5	8,400
CONSTRUCTION & MINING	2,100	2,200	-100	-4.5	2,100
MANUFACTURING	6,200	6,400	-200	-3.1	6,300
Durable Goods	4,200	4,400	-200	-4.5	4,300
Primary & Fabricated Metals	500	500	0	0.0	500
Industrial Machinery	1,100	1,200	-100	-8.3	1,100
Electronic Equipment	500	500	0	0.0	600
Other Durable Goods	2,100	2,200	-100	-4.5	2,100
Nondurable Goods	2,000	2,000	0	0.0	2,000
Rubber & Plastics	900	1,000	-100	-10.0	900
Other Nondurable Goods	1,100	1,000	100	10.0	1,100
SERVICE PRODUCING INDUSTRIES	20,800	20,600	200	1.0	20,700
TRANS., COMM. & UTILITIES	500	600	-100	-16.7	500
TRADE	7,000	6,600	400	6.1	6,900
Wholesale	600	700	-100	-14.3	700
Retail	6,400	5,900	500	8.5	6,200
FINANCE, INS. & REAL ESTATE	900	900	0	0.0	900
SERVICES	9,100	9,100	0	0.0	9,100
GOVERNMENT	3,300	3,400	-100	-2.9	3,300
Federal	200	200	0	0.0	200
State & Local	3,100	3,200	-100	-3.1	3,100

For further information on the Torrington Labor Market Area contact Joseph Slepiski at (860) 263-6278.

WATERBURY LMA



Not Seasonally Adjusted

	DEC	DEC	CHANGE		NOV
	1998	1997	NO.	%	1998
TOTAL NONFARM EMPLOYMENT	90,800	89,200	1,600	1.8	90,000
GOODS PRODUCING INDUSTRIES	22,700	22,700	0	0.0	22,800
CONSTRUCTION & MINING	3,700	3,400	300	8.8	3,900
MANUFACTURING	19,000	19,300	-300	-1.6	18,900
Durable Goods	14,900	14,900	0	0.0	14,900
Primary Metals	800	700	100	14.3	800
Fabricated Metals	6,600	6,600	0	0.0	6,700
Machinery & Electric Equipment	4,900	5,000	-100	-2.0	4,900
Nondurable Goods	4,100	4,400	-300	-6.8	4,000
Paper, Printing & Publishing	1,300	1,300	0	0.0	1,300
SERVICE PRODUCING INDUSTRIES	68,100	66,500	1,600	2.4	67,200
TRANS., COMM. & UTILITIES	3,600	3,600	0	0.0	3,500
TRADE	20,200	19,700	500	2.5	19,700
Wholesale	2,900	3,100	-200	-6.5	3,000
Retail	17,300	16,600	700	4.2	16,700
FINANCE, INS. & REAL ESTATE	4,200	4,400	-200	-4.5	4,200
SERVICES	27,500	26,500	1,000	3.8	27,300
Personal & Business	8,000	7,400	600	8.1	7,900
Health Services	10,200	10,100	100	1.0	10,000
GOVERNMENT	12,600	12,300	300	2.4	12,500
Federal	1,000	800	200	25.0	900
State & Local	11,600	11,500	100	0.9	11,600

For further information on the Waterbury Labor Market Area contact Joseph Slepiski at (860) 263-6278.

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*Total excludes workers idled due to labor-management disputes.

LABOR FORCE ESTIMATES

	EMPLOYMENT STATUS	DEC	DEC	CHANGE		NOV
		1998	1997	NO.	%	1998
<i>(Not seasonally adjusted)</i>						
CONNECTICUT	Civilian Labor Force	1,701,800	1,714,400	-12,600	-0.7	1,721,800
	Employed	1,654,200	1,642,000	12,200	0.7	1,663,700
	Unemployed	47,600	72,400	-24,800	-34.3	58,100
	Unemployment Rate	2.8	4.2	-1.4	---	3.4
BRIDGEPORT LMA	Civilian Labor Force	214,700	217,500	-2,800	-1.3	217,600
	Employed	207,300	206,800	500	0.2	208,500
	Unemployed	7,400	10,800	-3,400	-31.5	9,100
	Unemployment Rate	3.5	4.9	-1.4	---	4.2
DANBURY LMA	Civilian Labor Force	110,100	109,300	800	0.7	110,300
	Employed	108,000	106,600	1,400	1.3	107,700
	Unemployed	2,100	2,700	-600	-22.2	2,600
	Unemployment Rate	1.9	2.5	-0.6	---	2.3
DANIELSON LMA	Civilian Labor Force	32,900	33,300	-400	-1.2	33,200
	Employed	31,600	31,100	500	1.6	31,600
	Unemployed	1,200	2,200	-1,000	-45.5	1,600
	Unemployment Rate	3.8	6.6	-2.8	---	4.7
HARTFORD LMA	Civilian Labor Force	577,200	582,500	-5,300	-0.9	582,900
	Employed	560,800	556,300	4,500	0.8	563,100
	Unemployed	16,500	26,200	-9,700	-37.0	19,900
	Unemployment Rate	2.9	4.5	-1.6	---	3.4
LOWER RIVER LMA	Civilian Labor Force	12,200	12,100	100	0.8	12,600
	Employed	11,900	11,700	200	1.7	12,300
	Unemployed	300	400	-100	-25.0	400
	Unemployment Rate	2.3	3.3	-1.0	---	2.8
NEW HAVEN LMA	Civilian Labor Force	265,800	269,300	-3,500	-1.3	271,100
	Employed	258,200	258,100	100	0.0	261,800
	Unemployed	7,600	11,200	-3,600	-32.1	9,400
	Unemployment Rate	2.8	4.2	-1.4	---	3.5
NEW LONDON LMA	Civilian Labor Force	151,900	153,400	-1,500	-1.0	154,100
	Employed	147,400	146,000	1,400	1.0	148,400
	Unemployed	4,500	7,500	-3,000	-40.0	5,700
	Unemployment Rate	3.0	4.9	-1.9	---	3.7
STAMFORD LMA	Civilian Labor Force	196,000	196,200	-200	-0.1	198,100
	Employed	192,200	191,000	1,200	0.6	193,400
	Unemployed	3,800	5,200	-1,400	-26.9	4,700
	Unemployment Rate	1.9	2.7	-0.8	---	2.4
TORRINGTON LMA	Civilian Labor Force	38,200	38,600	-400	-1.0	38,400
	Employed	37,400	37,300	100	0.3	37,500
	Unemployed	800	1,300	-500	-38.5	900
	Unemployment Rate	2.2	3.4	-1.2	---	2.3
WATERBURY LMA	Civilian Labor Force	119,300	118,800	500	0.4	119,900
	Employed	115,400	113,200	2,200	1.9	115,300
	Unemployed	3,900	5,500	-1,600	-29.1	4,600
	Unemployment Rate	3.3	4.7	-1.4	---	3.8
UNITED STATES	Civilian Labor Force	138,297,000	136,742,000	1,555,000	1.1	138,288,000
	Employed	132,732,000	130,785,000	1,947,000	1.5	132,577,000
	Unemployed	5,565,000	5,957,000	-392,000	-6.6	5,711,000
	Unemployment Rate	4.0	4.4	-0.4	---	4.1

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MANUFACTURING HOURS AND EARNINGS

	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	DEC		CHG	NOV	DEC		CHG	NOV	DEC		CHG	NOV
	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998
<i>(Not seasonally adjusted)</i>												
MANUFACTURING	\$661.20	\$639.72	\$21.48	\$648.83	43.5	43.4	0.1	43.4	\$15.20	\$14.74	\$0.46	\$14.95
DURABLE GOODS	682.21	654.87	27.33	665.99	43.9	43.6	0.3	43.7	15.54	15.02	0.52	15.24
Lumber & Furniture	513.95	492.40	21.54	501.82	42.3	41.8	0.5	41.2	12.15	11.78	0.37	12.18
Stone, Clay and Glass	609.67	586.01	23.66	614.34	45.6	42.9	2.7	46.4	13.37	13.66	-0.29	13.24
Primary Metals	656.46	646.81	9.65	606.70	46.1	46.3	-0.2	43.9	14.24	13.97	0.27	13.82
Fabricated Metals	614.18	599.35	14.82	615.07	44.7	43.4	1.3	44.7	13.74	13.81	-0.07	13.76
Machinery	721.15	707.83	13.32	712.32	45.1	45.2	-0.1	44.8	15.99	15.66	0.33	15.90
Electrical Equipment	535.61	519.12	16.49	517.92	40.7	42.0	-1.3	41.6	13.16	12.36	0.80	12.45
Trans. Equipment	877.50	832.06	45.44	856.05	45.0	44.4	0.6	43.9	19.50	18.74	0.76	19.50
Instruments	639.39	589.64	49.75	606.05	41.6	41.7	-0.1	42.5	15.37	14.14	1.23	14.26
Miscellaneous Mfg	604.65	580.86	23.79	589.89	41.7	42.0	-0.3	41.6	14.50	13.83	0.67	14.18
NONDUR. GOODS	613.44	600.36	13.08	606.62	42.6	42.7	-0.1	42.6	14.40	14.06	0.34	14.24
Food	584.86	535.33	49.53	582.83	47.9	43.7	4.2	47.5	12.21	12.25	-0.04	12.27
Textiles	506.11	495.52	10.59	497.54	43.0	42.1	0.9	42.2	11.77	11.77	0.00	11.79
Apparel	320.42	332.43	-12.01	306.24	38.1	38.7	-0.6	36.5	8.41	8.59	-0.18	8.39
Paper	725.21	726.65	-1.44	737.68	45.1	46.7	-1.6	46.6	16.08	15.56	0.52	15.83
Printing & Publishing	612.69	581.48	31.21	602.47	39.3	39.8	-0.5	39.3	15.59	14.61	0.98	15.33
Chemicals	808.12	812.22	-4.10	802.35	44.5	44.8	-0.3	44.6	18.16	18.13	0.03	17.99
Rubber & Misc. Plast.	523.96	514.03	9.94	517.54	43.7	42.8	0.9	43.2	11.99	12.01	-0.02	11.98
CONSTRUCTION	823.26	781.44	41.82	810.57	41.6	40.7	0.9	41.0	19.79	19.20	0.59	19.77

LMA's

	AVG WEEKLY EARNINGS				AVG WEEKLY HOURS				AVG HOURLY EARNINGS			
	DEC		CHG	NOV	DEC		CHG	NOV	DEC		CHG	NOV
	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998	1998	1997	Y/Y	1998
MANUFACTURING												
Bridgeport	\$662.15	\$672.11	-\$9.96	\$644.82	42.5	43.9	-1.4	42.2	\$15.58	\$15.31	\$0.27	\$15.28
Danbury	623.33	657.53	-34.20	646.91	41.5	44.1	-2.6	42.7	15.02	14.91	0.11	15.15
Danielson	496.65	484.26	12.39	488.11	41.7	40.9	0.8	41.4	11.91	11.84	0.07	11.79
Hartford	717.70	708.50	9.20	687.04	44.8	44.7	0.1	43.9	16.02	15.85	0.17	15.65
Lower River	576.02	506.48	69.54	541.22	42.7	39.6	3.1	41.6	13.49	12.79	0.70	13.01
New Haven	645.00	633.04	11.96	636.44	43.0	42.6	0.4	42.6	15.00	14.86	0.14	14.94
New London	676.35	644.77	31.58	674.95	43.3	42.7	0.6	43.1	15.62	15.10	0.52	15.66
Stamford	553.81	557.17	-3.36	531.76	39.9	40.2	-0.3	39.1	13.88	13.86	0.02	13.60
Torrington	542.43	554.70	-12.27	547.36	41.0	43.1	-2.1	42.3	13.23	12.87	0.36	12.94
Waterbury	630.04	595.35	34.69	625.34	44.4	44.1	0.3	44.1	14.19	13.50	0.69	14.18

Current month's data are preliminary. Prior months' data have been revised. All data are benchmarked to March 1997.

NEW HOUSING PERMITS

	DEC	DEC	CHANGE Y/Y		YTD		CHANGE YTD		NOV
	1998	1997	UNITS	%	1998	1997	UNITS	%	1998
	Connecticut	1,129	622	507	81.5	11,541	9,054	2,487	27.5
Counties:									
Fairfield	374	165	209	126.7	3,080	2,006	1,074	53.5	159
Hartford	186	136	50	36.8	2,791	2,131	660	31.0	219
Litchfield	62	45	17	37.8	784	714	70	9.8	56
Middlesex	118	46	72	156.5	795	614	181	29.5	66
New Haven	147	118	29	24.6	1,947	1,966	-19	-1.0	131
New London	74	48	26	54.2	987	756	231	30.6	83
Tolland	57	37	20	54.1	714	541	173	32.0	79
Windham	111	27	84	311.1	443	326	117	35.9	24

HOUSING PERMIT ACTIVITY BY TOWN

TOWN	DEC 1998	YR TO DATE 1998	YR TO DATE 1997	TOWN	DEC 1998	YR TO DATE 1998	YR TO DATE 1997	TOWN	DEC 1998	YR TO DATE 1998	YR TO DATE 1997
Andover	3	24	27	Griswold	6	49	39	Preston	1	19	22
Ansonia	6	33	16	Groton	23	138	72	Prospect	7	57	55
Ashford	0	32	16	Guilford	9	139	124	Putnam	1	13	11
Avon	14	188	144	Haddam	4	26	29	Redding	2	40	34
Barkhamsted	3	26	23	Hamden	4	94	91	Ridgefield	6	132	128
Beacon Falls	2	24	25	Hampton	1	16	12	Rocky Hill	7	111	95
Berlin	6	91	73	Hartford	7	92	57	Roxbury	1	28	14
Bethany	4	29	21	Hartland	0	4	8	Salem	2	24	14
Bethel	3	43	42	Harwinton	0	22	27	Salisbury	0	13	6
Bethlehem	1	14	8	Hebron	6	78	75	Scotland	1	13	15
Bloomfield	4	39	33	Kent	0	12	12	Seymour	6	56	66
Bolton	2	26	22	Killingly	2	29	36	Sharon	0	3	4
Bozrah	1	8	7	Killingworth	5	59	60	Shelton	18	218	166
Branford	2	39	42	Lebanon	1	28	39	Sherman	2	23	24
Bridgeport	1	103	67	Ledyard	4	68	48	Simsbury	2	73	59
Bridgewater	1	14	7	Lisbon	2	24	23	Somers	1	45	37
Bristol	7	93	88	Litchfield	3	38	96	South Windsor	12	134	124
Brookfield	4	138	57	Lyme	0	16	14	Southbury	9	104	93
Brooklyn	83	96	5	Madison	9	100	104	Southington	22	229	183
Burlington	4	51	52	Manchester	7	483	320	Sprague	0	2	6
Canaan	1	3	4	Mansfield	6	58	45	Stafford	5	37	29
Canterbury	1	25	20	Marlborough	4	35	35	Stamford	4	222	184
Canton	5	44	30	Meriden	3	53	37	Sterling	3	22	24
Chaplin	1	17	15	Middlebury	2	32	26	Stonington	6	88	77
Cheshire	5	99	178	Middlefield	1	20	19	Stratford	7	57	49
Chester	0	9	22	Middletown	11	153	123	Suffield	10	196	71
Clinton	3	74	36	Milford	29	181	152	Thomaston	7	50	31
Colchester	4	106	103	Monroe	6	111	125	Thompson	4	23	19
Colebrook	0	11	4	Montville	2	45	27	Tolland	13	133	104
Columbia	1	30	19	Morris	1	11	7	Torrington	8	81	65
Cornwall	0	5	5	Naugatuck	5	57	44	Trumbull	12	133	86
Coventry	8	64	65	New Britain	0	6	10	Union	1	6	4
Cromwell	71	126	37	New Canaan	2	56	63	Vernon	4	36	26
Danbury	225	926	238	New Fairfield	6	31	38	Voluntown	1	27	13
Darien	3	27	27	New Hartford	2	31	29	Wallingford	7	195	120
Deep River	1	24	15	New Haven	1	68	0	Warren	0	9	9
Derby	3	32	33	New London	0	1	0	Washington	1	14	14
Durham	2	42	43	New Milford	15	127	113	Waterbury	4	57	47
East Granby	3	24	22	Newington	7	118	70	Waterford	1	73	79
East Haddam	6	80	70	Newtown	28	252	199	Watertown	8	84	106
East Hampton	4	49	40	Norfolk	0	2	3	West Hartford	3	25	9
East Hartford	1	4	3	North Branford	5	54	92	West Haven	2	33	45
East Haven	4	75	145	North Canaan	0	3	6	Westbrook	2	54	37
East Lyme	7	149	73	North Haven	6	101	71	Weston	1	18	14
East Windsor	1	28	22	No. Stonington	4	42	23	Westport	4	47	33
Eastford	1	9	7	Norwalk	11	132	97	Wethersfield	6	73	76
Easton	5	46	37	Norwich	2	24	28	Willington	0	15	12
Ellington	7	162	76	Old Lyme	7	54	44	Wilton	3	44	50
Enfield	8	86	84	Old Saybrook	1	26	38	Winchester	2	62	10
Essex	5	40	21	Orange	2	17	24	Windham	4	23	13
Fairfield	7	140	130	Oxford	4	95	59	Windsor	4	52	50
Farmington	17	166	144	Plainfield	3	41	56	Windsor Locks	1	11	15
Franklin	0	2	5	Plainville	4	41	29	Wolcott	6	85	132
Glastonbury	16	246	164	Plymouth	1	35	24	Woodbridge	1	38	124
Goshen	2	15	22	Pomfret	3	33	35	Woodbury	5	71	65
Granby	4	48	61	Portland	2	13	24	Woodstock	3	51	42
Greenwich	14	141	118								

BUSINESS STARTS AND TERMINATIONS

DOL newly registered employers are those businesses newly registered with the Labor Department's unemployment insurance program (including reopened accounts) during the month. DOL discontinued employers are those accounts that are terminated due to inactivity (no employees) or business closure. Registrations and terminations of business entities as recorded with the Secretary of the State are an indication of new business formation and activity. These registrations include limited liability companies, limited liability partnerships, and foreign-owned (out-of-state) and domestic-owned (in-state) corporations.

CONSUMER PRICE INDEX

The Consumer Price Index (CPI), computed and published by the U.S. Bureau of Labor Statistics, is a measure of the average change in prices over time in a fixed market basket of goods and services. It is based on prices of food, clothing, shelter, fuels, transportation fares, charges for doctors' and dentists' services, drugs and other goods and services that people buy for their day-to-day living. The Northeast region is comprised of the New England states, New York, New Jersey and Pennsylvania. *There is no separate consumer price index for Connecticut or any area within the state.*

EMPLOYMENT COST INDEX

The Employment Cost Index (ECI) covers both wages and salaries and employer costs for employee benefits for all occupations and establishments in both the private nonfarm sector and state and local government. The ECI measures employers' labor costs free from the influences of employment shifts among industries and occupations. The base period for all data is June 1989 when the ECI is 100.

HOURS AND EARNINGS ESTIMATES

Production worker earnings and hours estimates include full- and part-time employees working within manufacturing industries. Hours worked and earnings data are computed based on payroll figures for the week including the 12th of the month. Average hourly earnings are affected by such factors as premium pay for overtime and shift differential as well as changes in basic hourly and incentive rates of pay. Average weekly earnings are the product of weekly hours worked and hourly earnings.

INITIAL CLAIMS

Average weekly initial claims are calculated by dividing the total number of new claims for unemployment insurance received in the month by the number of weeks in the month. A minor change in methodology took effect with data published in the March 1997 issue of the DIGEST. Data have been revised back to January 1980.

INSURED UNEMPLOYMENT RATE

Primarily a measure of unemployment insurance program activity, the insured unemployment rate is the 13-week average of the number of people claiming unemployment benefits divided by the number of workers covered by the unemployment insurance system.

LABOR FORCE ESTIMATES

Labor force estimates are a measure of the work status of people who live in Connecticut. Prepared under the direction of the U.S. Bureau of Labor Statistics, the statewide estimates are the product of a multiple variable coefficient regression model, which uses results from the Current Population Survey (CPS), a monthly survey of Connecticut households, counts of claimants for unemployment benefits, and establishment employment estimates. Due to the small size of the sample taken in Connecticut, the CPS results are subject to significant sampling error and produce considerable month-to-month fluctuations in estimates derived from the sample. In general, the CPS estimates, at the 90 percent confidence level, have an error range of about 1.5 percentage points on a rate of 6.0 percent. An accepted method for calculating the error range for model estimates is currently not available. Labor force data, reflecting persons employed by place of residence, are not directly comparable to the place-of-work industry employment series. In the labor force estimates, workers involved in labor disputes are counted as employed. The labor force data also includes agricultural workers, unpaid family workers, domestics and the self-employed. Because of these conceptual differences, total labor force employment is almost always different from nonfarm wage and salary employment.

LABOR MARKET AREAS

All Labor Market Areas in Connecticut except three are federally designated areas for developing labor statistics. Industry employment data for the Danielson, Lower River and Torrington Labor Market Areas are prepared exclusively by the Connecticut Department of Labor, following the same statistical procedures used to prepare estimates for the other Labor Market Areas, which are developed in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

The Bureau of Labor Statistics has identified the five towns of Canaan, Kent, North Canaan, Salisbury and Sharon as a separate area for reporting labor force data. For the convenience of our data users, data for these towns are included in the Torrington Labor Market Area. For the same purpose, data for the town of Thompson, which is officially part of the Worcester Metropolitan Statistical Area, are included in the Danielson Labor Market Area. Also, data for Hopkinton and Westerly, Rhode Island are included in the New London Labor Market Area.

LEADING AND COINCIDENT EMPLOYMENT INDICES

The *leading employment index* is a composite of five individual employment-related series -the average workweek of manufacturing production workers, Hartford help-wanted advertising, short-duration (less than 15 weeks) unemployment rate, initial claims for unemployment insurance and total housing permits. While not an employment-sector variable, housing permits are closely related to construction employment. The *coincident employment index* is a composite indicator of four individual employment-related series -the total unemployment rate, nonfarm employment (employer survey), total employment (household survey) and the insured unemployment rate. All data are seasonally adjusted and come from the Connecticut Labor Department and from the Federal Reserve Bank of Boston.

NONFARM EMPLOYMENT ESTIMATES

Nonfarm employment estimates are derived from a survey of businesses to measure *jobs* by industry. The estimates include all full- and part-time wage and salary employees who worked during or received pay for the pay period which includes the 12th of the month. Excluded from these estimates are proprietors, self-employed workers, private household employees and unpaid family workers. In some cases, due to space constraints, all industry estimates are not shown. Call (860) 263-6275 for a more comprehensive breakout of nonfarm employment estimates.

UI COVERED WAGES

UI covered wages is the total amount paid to those employees who are covered under the Connecticut's Unemployment Insurance (UI) law for services performed during the quarter. The fluctuations in the 1992-93 period reflect the effect of the changes in the tax law and the massive restructuring in the state's economy.

ECONOMIC INDICATORS AT A GLANCE

(Percent change from prior year; see pages 5-9 for reference months)

Leading Employment Index-1.0	Business Activity	Tourism and Travel
Coincident Employment Index+4.2	New Housing Permits +81.5	Tourism Inquiries +9.3
Total Nonfarm Employment+1.2	Electricity Sales -1.9	Tourism Info Centers +19.6
Unemployment -1.4*	Retail Sales +4.1	Attraction Visitors -7.8
Labor Force -0.8	Construction Contracts Index -39.7	Hotel-Motel Occupancy -0.4
Employed +0.7	New Auto Registrations +25.7	Air Passenger Count +8.4
Unemployed -32.4	Air Cargo Tons +8.2	
Average Weekly Initial Claims -15.5	Business Starts	Employment Cost Index (U.S.)
Help Wanted Index -- Hartford -2.8	Secretary of the State +6.0	Total +3.5
Average Ins. Unempl. Rate -0.06*	Dept. of Labor -2.8	Wages & Salaries +3.9
		Benefit Costs +2.4
Average Weekly Hours, Mfg +0.2	Business Terminations	Consumer Price Index
Average Hourly Earnings, Mfg +3.1	Secretary of the State +6.5	U.S. City Average +1.6
Average Weekly Earnings, Mfg +3.4	Dept. of Labor -15.1	Northeast Region +1.7
Manufacturing Output+0.7		NY-NJ-Long Island +1.6
Production Worker Hours -1.0	State Tax Collections +7.0	Boston-Brockton-Nashua +2.0
Productivity +1.6	Corporate Tax -11.5	Consumer Confidence
Personal Income+4.5	Personal Income Tax +15.5	U.S. -7.4
UI Covered Wages +7.5	Real Estate Conveyance Tax +0.2	New England -8.9
	Sales & Use Tax +11.4	Interest Rates
		Prime -0.75*
		Conventional Mortgage -0.38*

*Percentage point change; **Less than 0.05 percent; NA = Not Available

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